

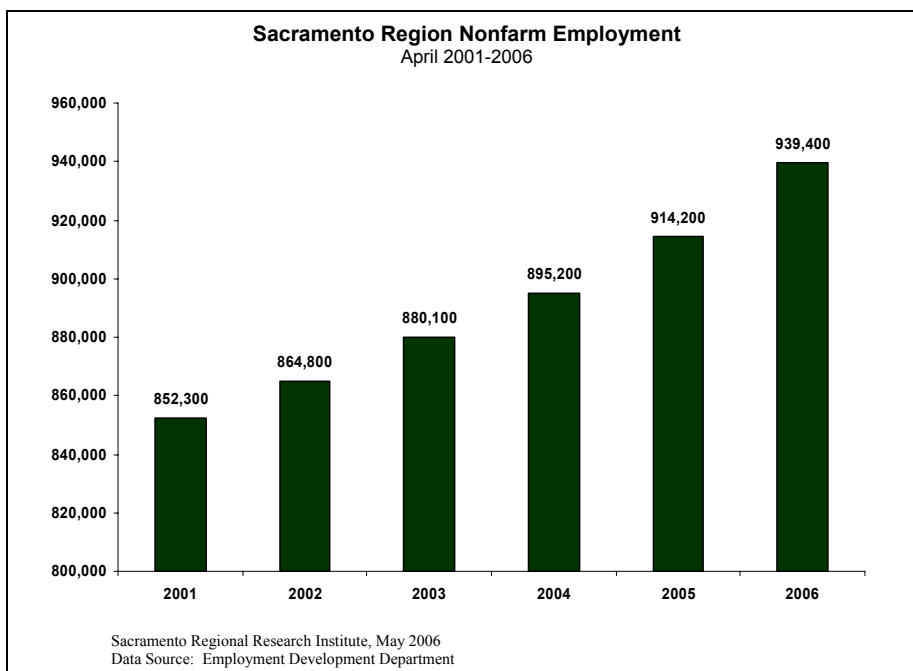
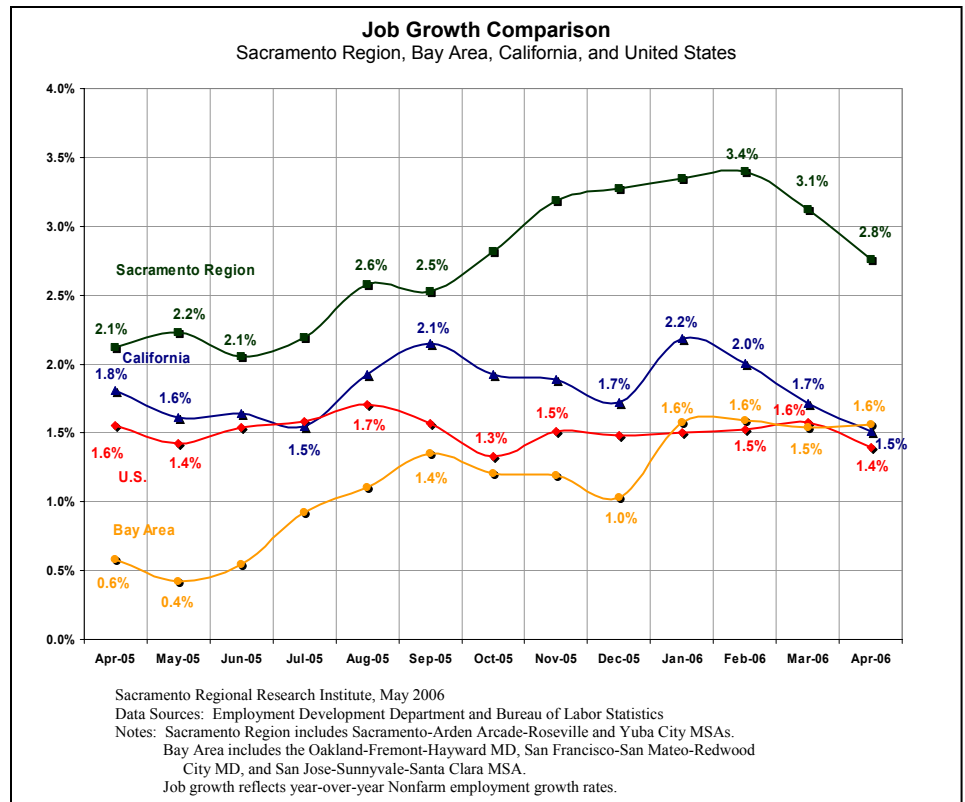
EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

The Sacramento Region has posted strong, but declining, job growth over the past two months.

Over the past two months, the six-county Sacramento Region has seen slight declines in its year-over-year employment growth rates. From the recent peak in February 2006, job growth has fallen to 2.8 percent, reflecting an increase of 25,200 jobs between April 2005 and 2006. Despite the current decline, job growth in April 2006 was still higher than growth rates seen in a number of years and was well above the statewide and national averages.

The state has also experienced a recent pattern of declining job growth. From the 2.2 percent year-over-year employment growth seen in January 2006, the state has dropped to one of its lowest points in the past year, posting 1.5 percent growth in April 2006. This rate was slightly above the national average and equates to a 12 month gain of 222,500 jobs.

The nation continued to post relatively flat job growth in April 2006, around the average 1.5 percent it has seen over the past year. Between April 2005 and 2006, the nation added about 1.9 million jobs with a growth rate of 1.4 percent.



Job growth in the Bay Area fell slightly above the statewide and national averages in April 2006. While the Bay Area has posted job growth at or above the national average since January 2006, April 2006 marked the first time the Bay Area surpassed the statewide average in a number of years. Over the past 12 months, the Bay Area saw job growth of 1.6 percent with an increase of 44,300 jobs. The past four months have marked the strongest job growth the Bay Area has experienced since returning to consistently positive year-over-year employment growth.

The Professional & Business Services; Leisure & Hospitality; and Trade, Transportation, & Utilities sectors led the Region in employment gains.

The Sacramento Region's Professional & Business Services; Leisure & Hospitality; and Trade, Transportation, & Utilities sectors posted the greatest job gains over the past 12 months. Combined, these three sectors added 16,400 jobs and accounted for about 65 percent of the Region's net job gain. While Manufacturing continues to see job losses at the statewide level, this sector has maintained positive job growth in the Sacramento Region. Three of the Region's sectors lost jobs between April 2005 and 2006 including Natural Resources & Mining; Other Services; and Information.

Similar to the Sacramento Region, the state experienced the largest year-over-year job gains in the Professional & Business Services; Leisure & Hospitality; and Trade, Transportation, & Utilities sectors with a combined increase of 130,000 jobs (approximately 58 percent of the total net gain). Both the Manufacturing and Information sectors saw job losses statewide over the past 12 months.

Major Sector Employment Gains and Losses Sacramento Region, California, and Bay Area			
Sector	April 2005-2006		
	Sacramento Region	California	Bay Area
Total Nonfarm	25,200	222,500	44,300
Private Sector	20,800	196,900	41,700
Public Sector	4,400	25,600	2,600
Prof. & Business Svcs.	6,000	58,400	8,500
Leisure & Hospitality	5,600	37,900	6,400
Trade, Trans., & Util.	4,800	33,700	5,100
Government	4,400	25,600	2,600
Manufacturing	2,500	-6,200	800
Financial Activities	1,700	21,200	4,800
Edu. & Health Svcs.	900	23,600	7,700
Construction	600	21,600	9,500
Nat. Res. & Mining	-100	600	0
Other Services	-400	9,500	-100
Information	-800	-3,400	-1,000

Sacramento Regional Research Institute, May 2006
Data Source: Employment Development Department

Despite recently losing its prominent position in the Sacramento Region's and state's job growth picture, the Construction sector added the most jobs in the Bay Area over the past year. Following Construction, the Professional & Business Services and Educational & Health Services sectors saw the greatest employment increases in the Bay Area. Together, these three sectors added 25,700 jobs, making up approximately 58 percent of the Bay Area's net job growth. Pointing to its continued economic recovery, the Bay Area experienced job losses in only two sectors, Other Services and Information, between April 2005 and 2006.

Employment Gains and Losses Components of Sacramento Region and Bay Area		
Area	April 2005-2006	
	Absolute	Rate
Sacramento Region	25,200	2.8%
Sacramento-Arden Arcade-Roseville MSA	23,300	2.7%
Yuba City MSA	1,900	4.8%
Bay Area	44,300	1.6%
Oakland-Fremont-Hayward Div.	24,400	2.4%
San Francisco-San Mateo-Redwood City Div.	12,100	1.3%
San Jose-Sunnyvale-Santa Clara MSA	7,800	0.9%

Sacramento Regional Research Institute, May 2006
Data Source: Employment Development Department
Note: Gains and losses reflect Nonfarm employment.

Posting 2.7 percent job growth, the Sacramento Region's largest Metropolitan Statistical Area (MSA), Sacramento-Arden Arcade-Roseville (consisting of El Dorado, Placer, Sacramento, and Yolo Counties), contributed about 93 percent of the Region's employment gain over the past 12 months with an increase of 23,300 jobs. The Yuba City MSA (including Sutter and Yuba Counties) accounted for the remaining 7 percent of the net job growth with a gain of 1,900 jobs. Although the Yuba City MSA showed strong job growth of 4.8 percent, its year-over-year employment growth rate has declined in recent months from a high of 7.9 percent in January 2006.

The Oakland-Fremont-Hayward Metropolitan Division (Alameda and Contra Costa Counties) remained the Bay Area's strongest economy in April 2006, posting 2.4 percent job growth and making up 55 percent of

the net employment increase in the past 12 months. The San Francisco-San Mateo-Redwood City Metropolitan Division (Marin, San Francisco, and San Mateo Counties) also acted as a strong contributor to the Bay Area's economy, accounting for 27 percent of the net job growth with a 1.3 percent year-over-year employment increase. The San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) has not regained its notable position in the Bay Area's economy. In April 2006 it also experienced positive job growth, but has been hovering around the 1 percent mark for the past 10 months.

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